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1 IN THE UNITED STATES DISTRICT COURT

2 FOR THE MIDDLE DISTRICT OF FLORIDA

3 JACKSONVILLE DIVISION

4 CASE NO. 3:04-CV-146-99HTS

5

6 - - -

7 SEA STAR LINE, LLC, :

a limited liability company, :

8 Plaintiff, :

V. :

9 EMERALD EQUIPMENT LEASING, INC., :

a corporation, :

10 Defendant. :

11

12

13 - - -  
December 8, 2004

14 - - -

Oral deposition of ARTHUR

15 B. DAVIS, held in the offices of Adelman

Lavine Gold and Levin, Four Penn Center,

16 Philadelphia, Pennsylvania, 19103, commencing

at 10:00 a.m., on the above date, before

17 Joseph Calavetta, a Federally-Approved

Registered Professional Reporter and

18 Commissioner for the Commonwealth of

Pennsylvania.

19

20 - - -

21

22 ESQUIRE DEPOSITION SERVICES

Fifteenth Floor

23 1880 John F. Kennedy Boulevard

Philadelphia, Pennsylvania 19103

24 (215) 988-9191

ESQUIRE DEPOSITION SERVICES

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APPEARANCES:

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ALSO PRESENT: JOHN EVANS AND  
ANDY ROOKS

- - -

ESQUIRE DEPOSITION SERVICES

3

## I N D E X

- - -

Testimony of: Arthur B. Davis

By Mr. Armstrong

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- - -

## E X H I B I T S

- - -

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2

3

4 Direction To Witness Not To Answer  
Page Line Page Line  
5 None

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7

8

9 Request For Production of Documents  
Page Line Page Line  
10 None

11

12

13 Stipulations  
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17 Questions Marked  
Page Line Page Line  
18 None

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ESQUIRE DEPOSITION SERVICES

1                   - - -  
2                   (It is hereby  
3 stipulated and agreed by and among  
4 counsel that the sealing, filing  
5 and certification are waived; and  
6 that all objections, except as to  
7 the form of the question, are  
8 reserved to the time of trial.)

9                   - - -  
10                  Arthur B. Davis, after  
11 having first been duly sworn, was  
12 examined and testified as follows:

13                  - - -  
14                  EXAMINATION

15                  - - -  
16 BY MR. ARMSTRONG:

17                  Q. Please state your full  
18 name.

19                  A. Arthur B. Davis.

20                  MR. MOLDOFF: Just  
21 before you begin, so we are clear,  
22 for the record, I confirm all  
23 objections except as to the form  
24 will be preserved until the time of  
ESQUIRE DEPOSITION SERVICES



1 Arthur B. Davis 9  
trial.

2 MR. ARMSTRONG: That  
3 is correct. That is the rule.

4 MR. MOLDOFF: That is  
5 the standard rule.

6 Also I wanted to reflect we  
7 are going to reserve the right for  
8 the witness to read and sign.

9 MR. ARMSTRONG: All  
10 right.

11 BY MR. ARMSTRONG:

12 Q. Mr. Davis, have you had  
13 your deposition taken before?

14 A. Yes, I have.

15 Q. I am going to ask you some  
16 questions. If you don't understand any  
17 of my questions ask me to repeat it, tell  
18 me you didn't understand it, ask me to  
19 repeat the question or rephrase the  
20 question.

21 If at any time you want to  
22 take a break, let us all know and we will  
23 take a break.

24 You are here as

ESQUIRE DEPOSITION SERVICES

1 Arthur B. Davis 10  
representative of Emerald Equipment

2 Leasing, Incorporated pursuant to a  
3 re-notice of taking deposition, are you  
4 not?

5 A. Yes.

6 Q. What's your relationship  
7 with Emerald Equipment Leasing,  
8 Incorporated?

9 A. At this time I am reviewing  
10 the equipment that Emerald leased to Sea  
11 Star Line and I am operating as basically  
12 a consultant.

13 Q. How long have you operated  
14 as a consultant for Emerald Equipment  
15 Leasing?

16 A. Probably since around March  
17 of 2001.

18 Q. Have you ever been employed  
19 by Emerald Equipment Leasing?

20 A. No.

21 Q. Have you ever been an  
22 officer of Emerald Equipment Leasing?

23 A. Yes.

24 Q. When were you an officer of  
ESQUIRE DEPOSITION SERVICES

Arthur B. Davis 11

1 Emerald Equipment Leasing?

2 A. November of 1997 through  
3 March of 2001.

4 Q. What position did you  
5 hold?

6 A. I was president.

7 Q. As president, what were  
8 your duties and responsibilities?

9 A. I oversaw the equipment.

10 Q. What type of equipment?

11 A. Chassis, containers,  
12 generators.

13 Q. This was Emerald equipment?

14 A. That is correct.

15 Q. What was the business of  
16 Emerald?

17 A. Emerald was a special  
18 purpose entity that leased equipment to  
19 NPR, Incorporated.

20 Q. What is NPR, Incorporated?

21 A. NPR, Incorporated was a  
22 company that operated ships between the  
23 United States and the Caribbean.

24 Q. Did you have any

ESQUIRE DEPOSITION SERVICES

Arthur B. Davis 12  
1 relationship to NPR, Incorporated?

2 A. I did.

3 Q. What was your relationship?

4 A. I was providing some  
5 managerial services to NPR, Incorporated.

6 Q. What type of managerial  
7 services?

8 A. I got involved with the  
9 accounts payable system, purchasing,  
10 insurance, accounts receivable.

11 Q. Over what period of time,  
12 did you provide those services?

13 A. April of 2002 until April  
14 26 of 2003.

15 Q. 2003 or 2002?

16 A. 2004. I'm sorry.

17 Q. What caused you to no  
18 longer provide managerial services to  
19 NPR, Incorporated?

20 A. NPR, Incorporated was  
21 bankrupt, Chapter 7 was filed so they  
22 ceased to exist.

23 Q. So when you ceased your  
24 managerial services NPR, Incorporated

ESQUIRE DEPOSITION SERVICES

1 Arthur B. Davis 13  
ceased to exist because it filed Chapter

2 7?

3 A. That is correct.

4 Q. All right.

5 MR. MOLDOFF: For the  
6 record, they filed Chapter 11, it  
7 was later converted to a 7.

8 MR. ARMSTRONG: They  
9 filed a 7 in April of 2002.

10 MR. MOLDOFF: It was  
11 converted to a 7.

12 MR. ARMSTRONG: Right.

13 BY MR. ARMSTRONG:

14 Q. For how long prior to the  
15 conversion to the Chapter 7, did you  
16 provide managerial services to NPR,  
17 Incorporated?

18 A. From April of 1998 until  
19 the Chapter 7 when they went out of  
20 business.

21 Q. Were you an officer of NPR,  
22 Incorporated?

23 A. No.

24 Q. Were you a director of NPR,

ESQUIRE DEPOSITION SERVICES

1 Arthur B. Davis 14  
Incorporated?

2 A. No.

3 Q. Were you an employee of  
4 NPR, Incorporated?

5 A. No.

6 Q. Were you paid by NPR,  
7 Incorporated?

8 A. No.

9 Q. Who paid you for those  
10 services?

11 A. Holt Oversight & Logistical  
12 & Technologies.

13 Q. Were you involved in  
14 providing managerial services with  
15 respect to equipment used by NPR,  
16 Incorporated?

17 A. Yes.

18 Q. What services did you  
19 provide?

20 A. I reviewed contracts for  
21 various companies that they had leases  
22 with, provided information on acquisition  
23 of new equipment, the replacement of  
24 equipment and that type of thing.

ESQUIRE DEPOSITION SERVICES

Arthur B. Davis 15

1 Q. Did you review contracts  
2 between NPR, Incorporated and Emerald  
3 Equipment Leasing?

4 A. Yes.

5 Q. What was the purpose of  
6 your review?

7 A. The same as all of the  
8 agreements.

9 Q. What was the purpose with  
10 respect to all of the agreements?

11 A. To see what the contracts  
12 and agreements were.

13 Q. While you were providing  
14 managerial services did NPR, Incorporated  
15 inventory equipment on lease?

16 A. They did.

17 Q. Was that done on a regular  
18 basis?

19 A. Yes.

20 Q. How often?

21 A. I don't know.

22 Q. Who was in responsible for  
23 conducting such inventories?

24 A. Inventories were maintained

ESQUIRE DEPOSITION SERVICES

Arthur B. Davis 16  
by George Cervone.

Q. Did you supervise George  
Cervone?

A. I worked with him.

Q. Do you know whether NPR,  
Incorporated prepared and maintained  
lists of lost equipment?

A. I am not sure at this time.

Q. Have you ever seen any  
inventories or lists of lost NPR,  
Incorporated equipment?

A. No, I don't believe so.

Q. What did you do in working  
with George Cervone?

MR. MOLDOFF: Object  
to the form of the question, too  
overbroad.

You could answer.

A. We reviewed what the equipment  
needs of the company were as far as  
quantities and types of equipment and  
ages of equipment and we reviewed  
proposals that I had received in regard  
to new leases, requirements for new

ESQUIRE DEPOSITION SERVICES



Arthur B. Davis 17  
1 equipment.

2 Q. And over what period of  
3 time did you do that?

4 A. Probably not long after I  
5 started working in Edison in April of  
6 1998 through maybe the middle of 2000.

7 Q. Why did you stop in mid  
8 2000?

9 A. I am not sure of the exact  
10 date, but at some point we had moved the  
11 accounts payable from Arizona where it  
12 was being handled back to Gloucester  
13 City, New Jersey and at that point I  
14 moved to Gloucester City and took over  
15 the accounts payable department.

16 We had already recast the  
17 leases with other parties, purchased new  
18 equipment. There was still involvement  
19 between George and I, but not to the  
20 extent that we had before.

21 Q. When you refer to the  
22 accounts payable department, are you  
23 referring to the NPR, Incorporated  
24 accounts payable department?

ESQUIRE DEPOSITION SERVICES

Arthur B. Davis 18

1 A. Yes.

2 Q. In connection with Emerald

3 Equipment Leasing, did you receive a

4 salary as president?

5 A. No.

6 Q. Were you paid for your

7 services to Emerald Equipment Leasing?

8 A. No.

9 Q. To whom did you report

10 while you were president of Emerald

11 Equipment Leasing?

12 A. In what regard?

13 Q. Was there one person to

14 whom you would report as president of

15 Emerald Equipment Leasing in regard to

16 your activities?

17 MR. MOLDOFF: On

18 behalf of Emerald Equipment

19 Leasing?

20 A. On behalf of Emerald

21 Equipment Leasing?

22 Q. Yes.

23 A. Tom Holt, Sr.

24 Q. Who is Tom Holt, Sr?

ESQUIRE DEPOSITION SERVICES

Arthur B. Davis 19

1 Let me rephrase that.

2 What was Tom Holt, Sr.'s

3 position?

4 A. In what?

5 MR. MOLDOFF: Just

6 objection to the question being

7 overbroad.

8 Q. In what capacity would you

9 report to Tom Holt, Sr?

10 A. Well --

11 MR. MOLDOFF: I

12 object. There is no time frame,

13 maybe that will help.

14 A. I am just confused about

15 your question.

16 Q. As president of Emerald

17 Equipment Leasing, why would you report

18 to Tom Holt, Sr?

19 A. Tom Holt, Sr was the owner

20 of NPR, Incorporated.

21 Q. Was he also the owner of

22 Emerald Equipment Leasing?

23 A. No.

24 Q. Was Emerald Equipment

ESQUIRE DEPOSITION SERVICES

Arthur B. Davis 20

1 Leasing a subsidiary of NPR,

2 Incorporated?

3 A. No.

4 Q. Over what period of time

5 did you report to Tom Holt, Sr?

6 A. I don't understand what you

7 are asking me.

8 Q. From what time to what time

9 did you report to Tom Holt, Sr?

10 A. In regard to what?

11 Q. Did you begin reporting to

12 Tom Holt, Sr in 1998?

13 A. In what context?

14 Q. In any context?

15 A. Well --

16 MR. MOLDOFF: If you

17 know.

18 A. I just don't understand the

19 area that we are talking about.

20 Q. For what purposes would you

21 report to Tom Holt, Sr?

22 MR. MOLDOFF: I object

23 to the question only to the extent

24 it assumes that he's reporting to

ESQUIRE DEPOSITION SERVICES

1 Arthur B. Davis 21  
anybody. I don't know whether you  
2 were or you weren't, but there's an  
3 assumption that you were reporting  
4 to somebody.

5 So I think we first have to  
6 lay a foundation as to whether or  
7 not you were reporting to anybody.

8 Q. Go ahead and answer the  
9 question?

10 A. I still don't understand  
11 your question. As what?

12 Q. As anything?

13 A. In what context?

14 Q. Why would you report to Tom  
15 Holt, Sr?

16 A. In context of what, report?

17 Q. In any context?

18 A. To that I would have to say  
19 I had employment that started at Holt in  
20 1969, from that point I would have  
21 reported to Tom Holt, Sr.

22 Q. When you say you had  
23 employment that started at Holt in 1969,  
24 to what Holt are you referring?

ESQUIRE DEPOSITION SERVICES

Arthur B. Davis 22

1 A. At that point I was  
2 employed by Holt Cargo Systems,  
3 Incorporated.

4 Q. What is Holt Cargo Systems,  
5 Incorporated?

6 A. A corporation.

7 Q. What is the business of  
8 Holt Cargo Systems, Incorporated?

9 A. Then or now?

10 Q. Then?

11 A. They were stevedores.

12 Q. How long did Holt Cargo  
13 Systems, Incorporated remain stevedores?

14 A. Until the filing of Chapter  
15 7.

16 Q. Do you recall when that  
17 was?

18 A. April 26 of 2002.

19 Q. You referred to Holt  
20 Oversight, do you recall that?

21 A. Yes.

22 Q. What was the business of  
23 Holt Oversight?

24 A. Holt Oversight provided

ESQUIRE DEPOSITION SERVICES

1                   Arthur B. Davis                   23  
2           managerial services, accounting services,  
3           and computer services to various  
4           companies.

5           Q.   Is Holtz oversight still in  
6           business?

7           A.   Holt Oversight & Logistical  
8           & Technologies is still in business.

9           Q.   Do you have any  
10          relationship to Holt Oversight today?

11          A.   I am employed by Holt  
12          Oversight & Logistical & Technologies,  
13          Incorporated.

14          Q.   Are you an officer?

15          A.   No.

16          Q.   Are you a director?

17          A.   No.

18          Q.   Were you ever a director of  
19          Emerald Equipment Leasing?

20          A.   No.

21          Q.   Does Emerald Equipment  
22          Leasing have any business today?

23          A.   Emerald Equipment Leasing  
24          today is under Chapter 7.

25          Q.   -- I'm sorry -- a Chapter

ESQUIRE DEPOSITION SERVICES

Arthur B. Davis 24

1 11.

2 What is Emerald Equipment

3 Leasing's business under Chapter 11?

4 A. Emerald Equipment Leasing  
5 is in the business of leasing equipment.

6 Q. To what entities does  
7 Emerald lease equipment?

8 A. None as of today.

9 Q. When did Emerald stop  
10 leasing equipment to anybody?

11 A. As of November 30th of  
12 2003.

13 Q. What entities did Emerald  
14 stop leasing equipment to as of November  
15 30th of 2003?

16 A. Sea Star Line.

17 Q. Prior to November 30th of  
18 2003 -- strike that.

19 Between April 1 of 2003 or  
20 2002 rather and April 26 of 2002, to what  
21 entities did Emerald lease equipment?

22 A. NPR, Incorporated.

23 Q. Did --

24 A. -- And Holt Cargo Systems.

ESQUIRE DEPOSITION SERVICES



Arthur B. Davis 25

1 Q. Did Emerald lease equipment  
2 to any entities other than NPR,  
3 Incorporated and Holt Cargo Systems  
4 during that period?

5 A. No.

6 Q. On April 26 of 2002, what  
7 was your position with Emerald, if you  
8 had any position?

9 A. I'm sorry. Which date?

10 Q. April 26 of 2002?

11 A. None.

12 Q. All right.

13 Mr. Davis, on April 26 of  
14 2002, did you have a position with NPR,  
15 Incorporated?

16 A. No.

17 Q. Are you familiar with  
18 Greenwich Terminals?

19 A. Yes.

20 Q. What is Greenwich  
21 Terminals?

22 A. Greenwich Terminals is a  
23 stevedoring company.

24 Q. Does Greenwich Terminals

ESQUIRE DEPOSITION SERVICES

1 Arthur B. Davis 26  
have any other business?

2 A. I know that Greenwich  
3 Terminals entered into an agreement to  
4 rent facilities at Jacksonville, Florida.

5 Q. When was that?

6 A. The middle of July,  
7 beginning of August of 2002.

8 Q. Does Greenwich Terminals  
9 still rent facilities at Jacksonville,  
10 Florida?

11 A. No, it does not.

12 Q. When you used the term  
13 stevedoring, what do you mean?

14 A. Stevedores load and unload  
15 ships, take cargo into or send cargo out  
16 of the terminal, mount, dismount  
17 containers, generators, they handle  
18 handle cargo.

19 Q. Are you including terminal  
20 operations within your definition of  
21 stevedore?

22 A. Yes.

23 Q. Does Greenwich Terminals  
24 currently operate terminals?

ESQUIRE DEPOSITION SERVICES

Arthur B. Davis 27

1 A. They do.

2 Q. Where does Greenwich

3 Terminals currently operate terminals?

4 A. Philadelphia, Pennsylvania.

5 Q. What is the name of that

6 terminal?

7 A. Packer Avenue Marine

8 Terminal.

9 Q. How long has Greenwich

10 Terminals operated the Packer Avenue

11 Marine Terminal?

12 A. I think they started at the

13 end of April of 2002.

14 Q. Do you know the

15 circumstances under which Greenwich

16 Terminals began operating Packer Avenue?

17 A. I don't.

18 Q. Was there ever any

19 relationship between Greenwich Terminals

20 and Emerald Equipment Leasing?

21 A. Yes.

22 Q. What was the relationship?

23 A. Greenwich Terminals became

24 a contractor for Emerald Equipment

ESQUIRE DEPOSITION SERVICES

Arthur B. Davis 28

1 Leasing in Jacksonville as well as  
2 handling the equipment in Philadelphia.

3 Q. When did Emerald Equipment  
4 Leasing become a contractor for Emerald  
5 in Jacksonville?

6 A. I'm sorry.

7 Q. When did Emerald become --  
8 I'm sorry --

9 When did Greenwich  
10 Terminals become a contractor for Emerald  
11 in Jacksonville?

12 MR. MOLDOFF:

13 Objection to the question  
14 only to the extent it's compound.

15 You should break it up  
16 Jacksonville and then Philadelphia.

17 MR. ARMSTRONG: I  
18 haven't talked about Philadelphia  
19 yet.

20 MR. MOLDOFF: I  
21 thought you asked about  
22 Philadelphia and Jacksonville.

23 MR. ARMSTRONG: No,  
24 strictly Jacksonville.

ESQUIRE DEPOSITION SERVICES

Arthur B. Davis 29

1 MR. MOLDOFF: All

2 right.

3 THE WITNESS: I

4 believe the middle of January --

5 I'm sorry - the middle of July of

6 2002.

7 MR. ARMSTRONG

8 Q. Was there a written

9 agreement between Emerald Equipment

10 Leasing and Greenwich Terminals with

11 respect to the Jacksonville services?

12 A. I don't know.

13 Q. Do you recall ever seeing

14 one?

15 A. No.

16 Q. Have you ever seen a

17 written agreement between Greenwich

18 Terminals and anyone else with respect

19 to, or between Greenwich Terminals and

20 Emerald Equipment Leasing with respect to

21 the Packer Avenue services?

22 A. No.

23 Q. Are you familiar with MBC

24 Leasing, Incorporated?

ESQUIRE DEPOSITION SERVICES

Arthur B. Davis 30

1 A. I am.

2 Q. How did you become aware of  
3 MBC Leasing, Incorporated?

4 A. I became aware that MBC  
5 Leasing, Incorporated -- how did I become  
6 aware of it?

7 I was advised that MBC  
8 Leasing, Incorporated was going to  
9 finance the chassis, containers and  
10 generators for Emerald equipment.

11 Q. When were you advised?

12 A. November of 1997.

13 Q. Who advised you?

14 A. Bernard Gelman.

15 Q. Who is Bernard Gelman?

16 A. He was the CFO for Holt  
17 Group, Incorporated.

18 Q. Did you have any role in  
19 negotiating contracts with MBC Leasing,  
20 Incorporated?

21 A. No.

22 Q. Did you review contracts  
23 between Emerald Equipment Leasing and MBC  
24 Leasing, Incorporated?

ESQUIRE DEPOSITION SERVICES

Arthur B. Davis 31

1 A. I did.

2 Q. What was the purpose of  
3 your review as you understood it?

4 A. I was reading the contracts  
5 to know what was in the contract.

6 Q. Why would you need to know  
7 what was in the contract?

8 A. As president of Emerald  
9 Equipment Leasing I would have signed the  
10 agreement.

11 Q. Were you president of  
12 Emerald Equipment Leasing in 1997?

13 A. I was.

14 Q. When did you become  
15 president of Emerald Equipment Leasing?

16 A. In 1997.

17 Q. While you were president of  
18 Emerald Equipment Leasing, did your  
19 duties and responsibilities change at  
20 all?

21 A. Not really.

22 Q. When you became president  
23 of Emerald Equipment Leasing, did Emerald  
24 Leasing have employees?

ESQUIRE DEPOSITION SERVICES

Arthur B. Davis 32

1 A. No.

2 Q. While you were president of  
3 Emerald Equipment Leasing, did Emerald  
4 Leasing ever have employees?

5 A. Not to my knowledge.

6 Q. After you ended your tenure  
7 as president of Emerald Equipment Leasing  
8 and became an Emerald consultant, has  
9 Emerald Equipment Leasing ever had any  
10 employees?

11 A. Not to my knowledge.

12 Q. Who is responsible for  
13 handling Emerald Equipment Leasing's  
14 day-to-day operations?

15 A. There are no operations  
16 now.

17 Q. Well, beginning -- while  
18 you were president of Emerald Equipment  
19 Leasing, who was responsible for handling  
20 Emerald Equipment Leasing's day-to-day  
21 operations?

22 A. I just don't understand  
23 what you're asking me.

24 Q. Who maintained inventories

ESQUIRE DEPOSITION SERVICES



Arthur B. Davis 33  
1 of Emerald equipment?

2 A. Inventories were maintained  
3 at NPR, Incorporated.

4 Q. Was NPR, Incorporated  
5 responsible for preparing and maintaining  
6 the inventories?

7 A. Yes.

8 Q. Who did the billing for use  
9 of Emerald equipment?

10 A. I believe that was done at  
11 NPR, Incorporated.

12 Q. Did NPR, Incorporated bill  
13 itself for using Emerald equipment?

14 A. It was more an automatic  
15 wire transfer of funds per the agreement.  
16 It was a fixed amount.

17 Q. Well, if the number of  
18 pieces of equipment changed during any  
19 period of time, did the amounts wired  
20 change?

21 A. I am not familiar that  
22 there was, in fact a change in the number  
23 of pieces.

24 Q. Do you know whether there

ESQUIRE DEPOSITION SERVICES

Arthur B. Davis 34

1 were any pieces lost by NPR,

2 Incorporated?

3 A. I am sure that there were.

4 Q. If pieces were lost, did

5 NPR, Incorporated continue to pay rent?

6 A. If they didn't pay for the

7 equipment, yes.

8 Q. Who would do the financial

9 calculations with respect to how much

10 NPR, Incorporated owed for lost

11 equipment?

12 A. It was part of the

13 agreement. There was a stipulated loss

14 value as part of the agreement.

15 Q. Would NPR, Incorporated

16 determine what equipment was lost?

17 A. That would be something

18 they would have to do, yes.

19 Q. While NPR, Incorporated was

20 using the equipment, was any damaged, to

21 your knowledge?

22 A. Yes.

23 Q. Who was responsible for

24 calculating any amounts due for damaged

ESQUIRE DEPOSITION SERVICES

Arthur B. Davis 35

1 equipment?

2 A. That would depend on if it  
3 was going to be fixed or not.

4 Q. Was that something that  
5 NPR, Incorporated did?

6 A. Certainly.

7 Q. Did Emerald ever retain its  
8 own surveyors to look at damaged  
9 equipment?

10 A. Not to my knowledge.

11 Q. Let me show you a copy of a  
12 document entitled Loan and Security  
13 Agreement dated as of November 20th of  
14 1997 which I will ask the court reporter  
15 to mark as exhibit 1 for identification.

16 - - -

17 (Whereupon, Exhibit  
18 Number 1 was marked for  
19 identification.)

20 - - -

21 Q. Do you recognize that  
22 document?

23 A. Yes.

24 Q. Did you have any role in

ESQUIRE DEPOSITION SERVICES

1 Arthur B. Davis 36  
negotiating the loan and security

2 agreement?

3 A. No.

4 Q. When did you first see the  
5 loan and security agreement?

6 A. Probably not too long  
7 before I signed it.

8 Q. And did you sign the  
9 original?

10 A. I did.

11 Q. Did anyone instruct you to  
12 sign the original?

13 A. I don't know what you are  
14 asking.

15 Q. Were you given instructions  
16 to sign that document?

17 A. Certainly.

18 Q. Who instructed you to sign  
19 that document?

20 A. Bernard Gelman.

21 Q. Mr. Gelman was CFO of what  
22 entities?

23 A. The Holt Group,  
24 Incorporated.

ESQUIRE DEPOSITION SERVICES

Arthur B. Davis 37

1 Q. Is the Holt Group,  
2 Incorporated a corporation to your  
3 knowledge?

4 A. I believe it was.

5 Q. And do you know what the  
6 business of the Holt Group, Incorporated  
7 was?

8 A. I am not sure.

9 Q. Were you ever an employee  
10 of the Holt Group, Incorporated?

11 A. No.

12 Q. Were you ever an officer of  
13 the Holt Group, Incorporated?

14 A. No.

15 Q. Did you ever provide any  
16 services for the Holt Group,  
17 Incorporated?

18 A. Probably.

19 Q. Do you know what services  
20 you provided for the Holt Group,  
21 Incorporated?

22 A. Not really.

23 Q. Let me show you a copy of a  
24 document entitled assignment of lease as

ESQUIRE DEPOSITION SERVICES

1 Arthur B. Davis 38  
security and dated November 20th of 1997

2 which I will ask the court reporter to  
3 mark as exhibit 2 for identification.

4 - - -

5 (Whereupon, Exhibit  
6 Number 2 was marked for  
7 identification.)

8 - - -

9 BY MR. ARMSTRONG:

10 Q. Do you recognize that  
11 document?

12 A. Yes, I do.

13 Q. Does your signature appear  
14 on the last page?

15 A. Yes, it does.

16 Q. Were you instructed to sign  
17 that document?

18 A. Yes.

19 Q. And who gave you those  
20 instructions?

21 A. Bernard Gellman.

22 Q. Let me show you a copy of a  
23 document entitled lessees notice consent  
24 and acknowledgement dated November 20th

ESQUIRE DEPOSITION SERVICES

1 Arthur B. Davis 39  
of 1997 which I will ask the court

2 reporter to mark as exhibit 3 for

3 identification.

4 - - -

5 (Whereupon, Exhibit

6 Number 3 was marked for

7 identification.)

8 - - -

9 BY MR. ARMSTRONG:

10 Q. Do you recognize that  
11 document?

12 A. Yes, I do.

13 Q. Does your signature appear  
14 on the second page?

15 A. It does.

16 Q. Who instructed you to sign  
17 that document?

18 A. Bernard Gellman.

19 Q. Who is Mark Goldman?

20 A. He was a former employee at  
21 Holt.

22 Q. Which Holt?

23 A. I don't know.

24 Q. Do you know what his

ESQUIRE DEPOSITION SERVICES

1 Arthur B. Davis 40  
position was?

2 A. He was involved with the  
3 warehouses.

4 Q. Who is Ronald Katims?

5 A. Ronald Katims was the  
6 president of NPR, Incorporated.

7 Q. Did Ron Katims have  
8 anything to do with Emerald Equipment  
9 Leasing?

10 A. In what regard? I will  
11 answer it. I don't know.

12 Q. Who is Mario F. Escodero?

13 A. Mario Escodero was  
14 secretary at NPR, Incorporated.

15 Q. Do you know what position  
16 or what his duties were?

17 A. He was an attorney.

18 Q. Who is John A. Evans?

19 A. He was secretary at Holt  
20 Cargo Systems.

21 Q. Do you know what his duties  
22 were?

23 A. No.

24 Q. For what purpose did Holt

ESQUIRE DEPOSITION SERVICES



1 Arthur B. Davis 41  
2 Cargo Systems lease equipment, if you  
3 know?

4 A. Let me back up for a moment  
5 to Mr. Evans. He was general counsel.  
6 I'm sorry.

7 Q. For what purpose did Holt  
8 Cargo Systems, Incorporated lease  
9 equipment if you know?

10 A. I don't know.

11 Q. Let me show you a document,  
12 of a copy order, authorizing sale of the  
13 NPR, Incorporated assets free and clear  
14 of all liens claims and encumbrances  
15 dated April 26 of 2002.

16 Do you recognize that  
17 document which I will ask the court  
18 reporter to mark as exhibit 4 for  
19 identification?

20 - - -

21 (Whereupon, Exhibit  
22 Number 4 was marked for  
23 identification.)

24 - - -

BY MR. ARMSTRONG:

ESQUIRE DEPOSITION SERVICES

Arthur B. Davis 42

1 Q. Have you seen this do  
2 before?

3 A. Yes.

4 Q. Do you recall when you  
5 first saw it?

6 A. No.

7 Q. Do you recall how long  
8 after April 26 approximately had you  
9 first saw the order?

10 A. No.

11 Q. Have you attend any of the  
12 hearings in the Bankruptcy Court  
13 pertaining to the sale of NPR,  
14 Incorporated assets?

15 A. No.

16 Q. Have you ever read the  
17 order?

18 A. Yes.

19 Q. Look at page 8, paragraph  
20 13. Do you recall that provision?

21 A. Yes.

22 Q. Have you discussed that  
23 provision with anyone other than your  
24 attorney?

ESQUIRE DEPOSITION SERVICES

Arthur B. Davis 43

1 A. Yes.

2 Q. With whom did you discuss  
3 that provision?

4 MR. MOLDOFF: I object  
5 to the question just to the extent  
6 that it may call for trial  
7 preparation or work product.

8 I mean in what context are  
9 you talking about? Are you talking  
10 about third parties?

11 At what point in time, in  
12 preparation for this deposition,  
13 litigation?

14 MR. ARMSTRONG: I  
15 think you are jumping the gun. The  
16 first question is with whom did you  
17 discuss the provision?

18 THE WITNESS: Tom  
19 Holt, Sr.

20 Q. When did you first have a  
21 discussion with Tom Holt, Sr regarding  
22 that provision?

23 A. I couldn't say. I don't  
24 know.

ESQUIRE DEPOSITION SERVICES

Arthur B. Davis 44

1 Q. Do you recall approximately  
2 how long ago you first had a discussion  
3 with Tom Holt, Sr regarding that  
4 provision?

5 A. Maybe this past summer

6 MR. MOLDOFF: I renew  
7 my objection.

8 Q. Were you and Tom Holt, Sr  
9 preparing to litigate against anyone in  
10 regard to this provision?

11 A. Well, the whole thing is in  
12 litigation.

13 Q. When did you decide that  
14 you were going to litigate?

15 A. I really don't recall the  
16 date.

17 Q. Prior to the filing of the  
18 lawsuit, did you discuss this provision  
19 with anyone?

20 A. Possibly.

21 Q. Do you recall?

22 A. No.

23 Q. Prior to the filing of the  
24 lawsuit?

ESQUIRE DEPOSITION SERVICES

Arthur B. Davis 45

1 MR. MOLDOFF: The  
2 lawsuit you are talking about is  
3 the lawsuit instituted in March of  
4 2004 by Sea Star Line?

5 BY MR. ARMSTRONG:

6 Q. Prior to March of 2004, do  
7 you recall looking at paragraph 13 on  
8 page 8 of the order?

9 A. I am sure that I read the  
10 order prior to March of 2004.

11 Q. You don't recall how long  
12 prior to March of 2004 you read the  
13 order?

14 A. That is correct.

15 Q. And what was your purpose  
16 in reading the order prior to March of  
17 2004?

18 A. Because this was an order  
19 that was handed down by the Bankruptcy  
20 Court.

21 Q. When you read the order,  
22 were you aware that Emerald Equipment  
23 Leasing would be - Emerald equipment  
24 would be stored on property and leased by

ESQUIRE DEPOSITION SERVICES

1 Arthur B. Davis 46  
2 Sea Star Line as a result of the asset

3 sale?

4 A. Yes.

5 Q. When did you become aware  
6 that equipment would be stored on Sea  
7 Star Line property as a result of the  
8 asset sale?

9 A. Whenever it was that I read  
10 this order.

11 Q. Did you ever inventory  
12 equipment stored on Sea Star Line  
13 property as a result of the asset sale?

14 MR. MOLDOFF: I just  
15 object to the question, the form of  
16 the question, to the extent that  
17 I don't know whether whether you  
18 mean Art Davis or anyone on behalf  
19 of Emerald.

20 MR. ARMSTRONG: I am  
21 asking you.

22 THE WITNESS: Would  
23 you then repeat your question.

24 MR. ARMSTRONG: Read  
it back.

ESQUIRE DEPOSITION SERVICES

Arthur B. Davis 47

1 - - -

2 (Whereupon, the  
3 pertinent portion of the record was  
4 read.)

5 - - -

6 A. No.

7 Q. Did you give anyone  
8 instructions to inventory Emerald  
9 equipment stored on Sea Star Line  
10 property as a result of the asset sale?

11 A. I don't think so.

12 Q. Were you ever given  
13 instructions to inventory equipment  
14 stored on Sea Star Line property as a  
15 result of the asset sale?

16 A. No.

17 Q. How did you expect to know  
18 what equipment, what Emerald equipment  
19 was stored on Sea Star Line property as  
20 a result of the asset sale?

21 A. Quite frankly at the point  
22 that I read this agreement it was a moot  
23 point.

24 Q. Why was that?

ESQUIRE DEPOSITION SERVICES

Arthur B. Davis 48

1 A. Because there was an  
2 agreement in place with Sea Star Line to  
3 rent the equipment and Sea Star Line was  
4 supposed to notify Emerald Equipment  
5 Leasing as to what was there in the first  
6 place.

7 Q. When you are saying there  
8 was an agreement in place with Sea Star  
9 Line to rent the equipment, do you recall  
10 when Sea Star Line and Emerald Equipment  
11 Leasing entered into the agreement?

12 A. May 1 of 2002.

13 Q. And do you recall whether  
14 the agreement applied to all NPR,  
15 Incorporated equipment whether or not Sea  
16 Star Line used it?

17 A. It has nothing to do with  
18 NPR, Incorporated, the equipment.

19 Q. Do you recall whether it  
20 applied to all equipment previously used  
21 by NPR, Incorporated, whether or not Sea  
22 Star Line used it?

23 A. It applied to all equipment  
24 that Sea Star Line would use.

ESQUIRE DEPOSITION SERVICES



Arthur B. Davis 49

1 Q. If Sea Star Line had  
2 equipment that was stored on its property  
3 pursuant to paragraph 13, how did you  
4 expect to know what that equipment was?

5 A. They had access to use all  
6 of the equipment wherever it was and my  
7 recollection is that there was a  
8 requirement that Sea Star Line was going  
9 to notify Emerald Equipment Leasing as to  
10 what equipment was available.

11 Q. As to what equipment was on  
12 hired?

13 A. When on hired certainly  
14 because they were using it, as well as  
15 what they physically had that was stored.

16 Q. You were aware that there  
17 was equipment that was stored on Sea Star  
18 Line property that Sea Star was not  
19 using, were you not?

20 A. When?

21 Q. After April 26 of 2002?

22 A. At some point in time I  
23 received information from Sea Star as to  
24 what they said they were not going to be

ESQUIRE DEPOSITION SERVICES

Arthur B. Davis 50

1 using.

2 Q. What steps did you take to  
3 remove the equipment that was stored on  
4 Sea Star Line's property from Sea Star  
5 Line's location?

6 A. At what point in time?

7 Q. At any point in time?

8 A. Well --

9 Q. Beginning April 26 of 2002,  
10 the date of the order which is identified  
11 as exhibit 4?

12 A. Well, equipment that was on  
13 their premises that they were not --  
14 allegedly not using, some was being sold  
15 from the premises and other equipment was  
16 taken off-site from the terminal.

17 Q. What was your involvement  
18 in selling equipment?

19 A. I was selling equipment.

20 Q. Were you working for any  
21 particular entity in connection with the  
22 sale of equipment?

23 A. Sure. I was an agent for  
24 Greenwich Terminals.

ESQUIRE DEPOSITION SERVICES

Arthur B. Davis 51

1 Q. Do you know whether  
2 Greenwich Terminals was working for any  
3 particular entity in connection with  
4 selling the equipment?

5 A. Yes.

6 Q. For what entity was  
7 Greenwich Terminals working?

8 A. MBC Leasing, Incorporated.

9 Q. Do you know whether  
10 Greenwich Terminals ever inventoried  
11 equipment in storage on Sea Star Line  
12 property?

13 A. I know that I have.

14 Q. When did you first  
15 inventory equipment in storage on Sea  
16 Star property?

17 A. I don't know.

18 Q. Do you recall whether it  
19 was in 2002?

20 A. Probably.

21 Q. Do you recall where you  
22 inventoried equipment on Sea Star  
23 property during 2002?

24 A. In the Sea Star terminal

ESQUIRE DEPOSITION SERVICES

Arthur B. Davis 52

1 itself, as well as what was referred to

2 as the showroom.

3 Q. When you say the Sea Star  
4 terminal, to what Sea Star terminal are  
5 you referring?

6 A. San Juan.

7 Q. Do you recall when you  
8 first went to San Juan to inventory  
9 equipment, Emerald Equipment Leasing  
10 equipment?

11 A. No.

12 Q. Did anyone go with you to  
13 inventory equipment in San Juan?

14 A. Not really.

15 Q. How did you proceed to  
16 proceed to inventory Emerald Equipment  
17 Leasing equipment in the Sea Star Line in  
18 San Juan?

19 A. I would walk the terminal  
20 and then write down unit numbers that I  
21 saw.

22 Q. Somewhere in your records  
23 then you should have a handwritten list  
24 of your first inventory of Emerald

ESQUIRE DEPOSITION SERVICES

Arthur B. Davis 53  
equipment in San Juan?

A. If I still have that, I  
don't know if I have that.

Q. After you wrote down the  
information, what did you do with it?

A. I would have faxed it back  
to the office.

Q. And was there a procedure  
back at the office in dealing with your  
faxed handwritten lists?

A. I think the first time that  
I actually started to do this was in  
2003.

Q. Prior to 2003, had any  
Emerald representative inventoried  
Emerald equipment at Sea Star Line  
terminal in San Juan.

MR. MOLDOFF: If you  
know. To your knowledge.

A. I don't know.

Q. Prior to 2003, had any  
Greenwich Terminals representative  
inventoried Emerald equipment in Sea Star  
Line's terminal in San Juan?

ESQUIRE DEPOSITION SERVICES

Arthur B. Davis 54

1 MR. MOLDOFF: Again,

2 to your knowledge.

3 A. I don't know.

4 Q. Do you know whether there  
5 was an inventory of Emerald equipment in  
6 the terminal in San Juan by NPR,  
7 Incorporated at any time on or before  
8 April 26 of 2002?

9 A. I don't know.

10 Q. Have you ever inquired?

11 A. I could only speculate and  
12 I don't do that.

13 Q. Have you ever asked anyone  
14 for a NPR, Incorporated inventory of  
15 Emerald equipment taken on or before  
16 April 26th of 2002?

17 A. Sure.

18 Q. Whom did you ask?

19 A. I would have asked George  
20 Cervone.

21 Q. Do you know, or do you  
22 recall when you asked George Cervone?

23 A. No.

24 Q. Did George Cervone provide

ESQUIRE DEPOSITION SERVICES

Arthur B. Davis 55

1 you with an inventory or a copy of an

2 inventory?

3 A. I am sure at some point he

4 did.

5 Q. Did you review the

6 inventory?

7 A. I am sure I did.

8 Q. For what purpose did you

9 review the inventory?

10 A. To see where equipment was

11 located.

12 Q. Did you compare the

13 inventory with Emerald records as to

14 equipment on lease to NPR, Incorporated?

15 A. No.

16 Q. Have you ever compared NPR,

17 Incorporated inventories with Emerald

18 records as to equipment on lease to NPR,

19 Incorporated?

20 A. No.

21 Q. Did Emerald ever maintain

22 records as to equipment on lease to NPR,

23 Incorporated?

24 A. As I said before that was

ESQUIRE DEPOSITION SERVICES

Arthur B. Davis 56

1 done by NPR, Incorporated.

2 Q. Did you ever ask Mr.

3 Cervone for any lists of lost Emerald

4 equipment on lease to NPR, Incorporated,

5 by lost I mean lost or missing?

6 A. Not that I recall.

7 Q. How could you determine

8 exactly what Emerald equipment was on

9 lease to NPR, Incorporated as of April 26

10 of 2002?

11 A. It was all of the

12 equipment.

13 Q. By all the of the

14 equipment, you are referring to equipment

15 whether it was actually in place or was

16 lost or missing?

17 A. It was all of the equipment

18 that was in the schedules.

19 Q. In what schedules?

20 A. That were part of the

21 agreement.

22 Q. What agreement?

23 A. The agreement between

24 Emerald NPR, Incorporated and Holt Cargo

ESQUIRE DEPOSITION SERVICES



1                   Arthur B. Davis                   57  
2                   Systems.

3                   Q.    Of that equipment, you have  
4                   no knowledge as to what pieces were  
5                   missing, is that correct?

6                   MR. MOLDOFF: If any.  
7                   I don't know we have established --  
8                   Object to the form of the question.

9                   MR. ARMSTRONG: Okay.  
10                  You may objection to the form. Go  
11                  ahead and answer.

12                 A.   Repeat the question.

13                 MR. ARMSTRONG: Go  
14                 ahead and repeat the question.

15                 - - -  
16                 (Whereupon, the  
17                 pertinent portion of the record was  
18                 read.)

19                 - - -

20                 A.   Yes.

21                 Q.   Have you ever attempted to  
22                 gain knowledge as to what pieces of  
23                 equipment, subject to an agreement  
24                 between Emerald and NPR, Incorporated or  
25                 an agreement between Emerald and Holt

ESQUIRE DEPOSITION SERVICES

1 Arthur B. Davis 58  
2 Cargo Systems, were actually missing?

3 A. No.

4 Q. Order terminating the  
5 automatic stay as to MBC Leasing,  
6 Incorporated and certain assets of the  
7 debtor which I will ask the court  
8 reporter to mark this document as exhibit  
9 5 for identification.

10 - - -

11 (Whereupon, exhibit  
12 Number 5 was marked for  
13 identification.)

14 - - -

15 BY MR. ARMSTRONG:

16 Q. Do you recognize that  
17 document?

18 A. Yes.

19 - - -

20 (Whereupon, a short  
21 recess was taken.)

22 - - -

23 BY MR. ARMSTRONG:

24 Q. Let me show you a copy of a  
document entitled stipulation between MBC

ESQUIRE DEPOSITION SERVICES

1 Arthur B. Davis 59  
2 Leasing, Incorporated and debtors with  
3 respect to adequate protection of  
4 property which I will ask the court  
5 reporter to mark as exhibit 6 for  
6 identification.

7 - - -

8 (Whereupon, Exhibit  
9 Number 6 was marked for  
10 identification.)

11 - - -

12 BY MR. ARMSTRONG:

13 Q. Do you recognize that  
14 document?

15 A. I don't really think I  
16 remember the stipulation between MBC  
17 Leasing, Incorporated and debtors.

18 Q. Let me show you a copy of a  
19 document entitled debtors - - MBC  
20 Leasing, Incorporated responses,  
21 objections and answers to MBC Leasing,  
22 Incorporated Interrogatories which I will  
23 ask the court reporter to mark as exhibit  
24 7 for identification.

ESQUIRE DEPOSITION SERVICES

Arthur B. Davis 60  
(Whereupon, Exhibit

1  
2 Number 7 was marked for  
3 identification.)

4 - - -

5 BY MR. ARMSTRONG:

6 Q. Do you recognize that  
7 document?

8 A. I really don't remember the  
9 debtor NPR, Incorporated's responses and  
10 objections and --

11 Q. Look at page 17, please do  
12 you recognize the signature under NPR,  
13 Incorporated?

14 A. No.

15 Q. Let me show you a copy of a  
16 document entitled debtor, Holt Cargo  
17 Systems, Incorporated responses to  
18 objections and answers to MBC Leasing,  
19 Incorporated Interrogatories which I will  
20 ask the court reporter to mark as exhibit  
21 8 for identification.

22 - - -

23 (Whereupon, Exhibit

24 Number 8 was marked for

ESQUIRE DEPOSITION SERVICES

Arthur B. Davis 61  
identification.)

2 - - -

3 BY MR. ARMSTRONG:

4 Q. Do you recognize that  
5 document?

6 A. Not really.

7 Q. Have you ever been told  
8 that exhibit 7 and 8, NPR, Incorporated  
9 and Holt cargo Answers to Interrogatories  
10 exist?

11 A. I don't know.

12 Q. In exhibit 8, do you  
13 recognize the signature under Holt Cargo  
14 Systems, Incorporated?

15 A. Not really.

16 Q. Have you ever seen a  
17 signature that appears like that?

18 A. Yes. Same signature as in  
19 exhibit 7.

20 Q. All right.

21 Mr. Davis, outside of  
22 exhibit 7 and 8, have you ever seen a  
23 signature that appears like that?

24 A. Not that I could recall.

ESQUIRE DEPOSITION SERVICES

Arthur B. Davis 62

1 Q. Have you ever heard the  
2 name Scott Criegeer?

3 A. Yes.

4 Q. How have you heard of the  
5 name Scott Criegeer?

6 MR. MOLDOFF: If I  
7 could go back for one second. I am  
8 not sure how Art answered the  
9 question with respect to the  
10 Interrogatories because I think  
11 they were attached to the requests  
12 for admission and Art, we may have  
13 looked at that in connection with  
14 with that, am I right?

15 THE WITNESS: Right.

16 MR. MOLDOFF: Other  
17 than that I think your response  
18 assumes other than maybe you have  
19 just seen it.

20 THE WITNESS: Um-hum.  
21 Um-hum.

22 MR. MOLDOFF: That's  
23 why I wanted to make sure that the  
24 record was clear about that.

ESQUIRE DEPOSITION SERVICES

Arthur B. Davis 63

1 BY MR. ARMSTRONG:

2 Q. In what context have you  
3 heard the name Scott Criegeer? How have  
4 you?

5 A. I have worked with Scott  
6 Criegeer.

7 Q. How have you worked with  
8 Scott Criegeer?

9 A. In regard to the Emerald  
10 equipment.

11 Q. What work have you done  
12 with him in regard to the Emerald  
13 equipment?

14 A. Greenwich Terminals had an  
15 arrangement with MBC Leasing,  
16 Incorporated whereby they were an agent  
17 for MBC Leasing, Incorporated to sell the  
18 equipment, to sell Emerald's equipment.

19 They also were part of that  
20 arrangement and they, through a separate  
21 contractor, operated the terminal in  
22 Jacksonville.

23 Q. Who was that contractor?

24 A. GTS.

ESQUIRE DEPOSITION SERVICES

Arthur B. Davis 64

1 Q. Did MBC Leasing,  
2 Incorporated compensate you, Arthur  
3 Davis?

4 A. No, they did not.

5 Q. How were you compensated  
6 for your services?

7 A. I was paid by Holt  
8 Oversight and Logistical Technologies.

9 Q. Did you bill MBC Leasing,  
10 Incorporated for your services?

11 A. I did not.

12 Q. Have you heard the name  
13 Bill Hallam?

14 A. Have I heard that name?

15 Q. Yes.

16 A. Yes.

17 Q. In what context did you  
18 heard that name?

19 A. He's counsel for MBC  
20 Leasing, Incorporated.

21 Q. Have you had communications  
22 with Mr. Hallam?

23 A. I have.

24 Q. What communications have

ESQUIRE DEPOSITION SERVICES



1 Arthur B. Davis 65  
2 you had with Mr. Hallam?

3 A. I have had communications  
4 with him in regard to billing that we  
5 received from Sea Star Line, invoices  
6 that I provided to Sea Star Line,  
7 information that I had asked Mr. Hallam  
8 in regard to correspondence from Sea Star  
9 Line.

10 Q. When did you first  
11 communicate with Mr. Hallam?

12 A. I don't know.

13 Q. Was it in 2002?

14 A. I don't know.

15 Q. Were any of your  
16 communications with Mr. Hallam in  
17 writing?

18 A. I am not sure.

19 Q. Did you send him any  
20 e-mails?

21 A. I may have. I don't know.

22 Q. And do you know where those  
23 e-mails would be located if they exist?

24 A. If they exist they would  
have been provided to Sea Star.

ESQUIRE DEPOSITION SERVICES

Arthur B. Davis 66

1 Q. Did you have a provision  
2 for - a or a procedure for destroying  
3 documents including e-mails after a  
4 certain period of time?

5 A. No.

6 Q. Has Emerald had any such  
7 procedure?

8 MR. MOLDOFF: If you  
9 know.

10 A. Not to my knowledge.

11 Q. Do you know whether Holtz  
12 Oversight has had any such procedure?

13 A. Not to my knowledge.

14 Q. When you were e-mailing  
15 people, what e-mail address would you  
16 use? Would it be an Emerald e-mail  
17 address?

18 A. Are you asking for my own  
19 address?

20 Q. Well, I am asking you -- it  
21 is not a Sea Star Line address. Would  
22 you use a Holt Oversight address or an  
23 Emerald Leasing address? How would that  
24 be handled?

ESQUIRE DEPOSITION SERVICES

Arthur B. Davis 67

1 A. Are you asking me if it's  
2 coming from me?

3 Q. Yes.

4 A. It would be a Holt  
5 Oversight address.

6 Q. And has it always been that  
7 way?

8 A. Yes.

9 Q. Would you handle all of  
10 your communications through the Holt  
11 Oversight e-mail system?

12 A. Yes, unless it was a  
13 letter.

14 Q. Did you send letters to Mr.  
15 Hallam?

16 A. I don't know.

17 Q. Do you recall if you  
18 received any letters from Mr. Hallam?

19 A. Yes, I did.

20 Q. Do you recall how many?

21 A. No.

22 Q. Do you recall the period of  
23 time during which you received such  
24 letters?

ESQUIRE DEPOSITION SERVICES

Arthur B. Davis 68

1 A. No.

2 Q. When you first went to work  
3 for MBC Leasing, Incorporated through  
4 Greenwich Terminals, of course, did you  
5 have any discussions with anyone  
6 concerning inventories of Emerald  
7 equipment that had been used by NPR,  
8 Incorporated?

9 MR. MOLDOFF: I object  
10 to the form, to the extent that  
11 I am not sure that Mr. Davis  
12 testified that he worked for MBC  
13 Leasing, Incorporated through  
14 Greenwich Terminals.

15 I thought whatever you did  
16 was through Holt Oversight.

17 MR. ARMSTRONG: No.  
18 It's through Greenwich Terminals;  
19 is that correct?

20 THE WITNESS: No. I  
21 am an employee of Holt Oversight.

22 BY MR. ARMSTRONG:

23 Q. And did Holt Oversight have  
24 a contract with MBC Leasing,

ESQUIRE DEPOSITION SERVICES

1 Arthur B. Davis 69  
Incorporated?

2 A. No.

3 Q. Greenwich Terminals had had  
4 the contract with MBC Leasing,  
5 Incorporated; is that correct?

6 A. It did.

7 Q. And you worked for MBC  
8 Leasing, Incorporated through the  
9 Greenwich Terminals contract, is that  
10 correct?

11 MR. MOLDOFF: If you  
12 know.

13 A. As an employee of Holt  
14 Oversight I was an agent for Greenwich  
15 Terminals.

16 Q. And that was how you worked  
17 for MBC Leasing, Incorporated; is that  
18 correct?

19 A. That's correct.

20 Q. Getting back to my  
21 question, when you began working for MBC  
22 Leasing, Incorporated, was there any  
23 discussion of inventories of equipment,  
24 that is Emerald equipment used by NPR,

ESQUIRE DEPOSITION SERVICES

Arthur B. Davis 70

1 Incorporated?

2 A. Not that I recall.

3 Q. Did you ever tell anyone at  
4 MBC Leasing, Incorporated that you didn't  
5 know what Emerald equipment used by NPR,  
6 Incorporated might have been missing on  
7 or before April 26 of 2002?

8 A. I don't believe so.

9 Q. Did you ever tell Tom Holt,  
10 Sr what Emerald equipment used by NPR,  
11 Incorporated might have been missing on  
12 or before April 26th of 2002?

13 A. No.

14 Q. Did he ever ask you whether  
15 all of the Emerald equipment for which  
16 NPR, Incorporated was paying was actually  
17 in place on April 26th of 2002?

18 A. No. It is just not an  
19 unusual situation that a leasing company  
20 would have equipment with a lessee that  
21 they may have misplaced, may have had  
22 damaged, that they continued to pay for  
23 the lease payment on the piece of  
24 equipment and never report that it was

ESQUIRE DEPOSITION SERVICES

Arthur B. Davis 71  
1 lost, stolen, damaged or whatever. It is

2 not an unusual thing.

3 Q. Is that your understanding  
4 of what NPR was doing?

5 A. That is my understanding in  
6 the industry.

7 Q. Is that your understanding  
8 of what NPR was doing?

9 A. I don't know that NPR lost  
10 any equipment.

11 Q. Did you ever investigate  
12 whether NPR, Incorporated lost any  
13 equipment?

14 A. I did not.

15 Q. As president of Emerald you  
16 were never asked to investigate whether  
17 NPR lost any equipment?

18 A. That is correct.

19 Q. Now, did you ever  
20 investigate after April 26th of 2002  
21 whether NPR, Incorporated lost any  
22 equipment?

23 A. I did not.

24 Q. What does the term POS mean

ESQUIRE DEPOSITION SERVICES

Arthur B. Davis 72

1 if you know?

2 A. Permanently out of service.

3 Q. Have you seen that term in  
4 connection with Emerald equipment on  
5 lease to NPR?

6 A. Yes.

7 Q. What does that mean in the  
8 industry?

9 A. To me it would mean that a  
10 piece of equipment, that that particular  
11 piece of equipment might require more  
12 money to repair to put it back into  
13 proper working order than the company  
14 would want to spend at that time.

15 Q. Do you know whether NPR,  
16 Incorporated paid rent for equipment that  
17 was POS?

18 A. They did.

19 Q. Do you know what happened  
20 to the Emerald equipment that was POS  
21 after April 26th of 2002?

22 A. I couldn't say on a general  
23 basis.

24 Q. Did you ever inventory

ESQUIRE DEPOSITION SERVICES



1 Arthur B. Davis 73  
equipment that had been identified as POS

2 in the NPR documents?

3 A. No.

4 Q. I will show you a copy of a  
5 document consisting of e-mails dated June  
6 4th through June 7th of 2002, which I  
7 will ask the court reporter to mark as  
8 exhibit 9 for identification.

9 - - -

10 (Whereupon, Exhibit  
11 Number 9 was marked for  
12 identification.)

13 - - -

14 BY MR. ARMSTRONG:

15 Q. Have you ever seen those  
16 e-mails before or any of them before?

17 A. I don't think so. I don't  
18 remember seeing these e-mails.

19 Q. Look at the e-mail from  
20 Bill Hallam on the second page, do you  
21 see that?

22 A. I do.

23 Q. It is to T. Holt, Jr at  
24 holt marine dot com. Do you know who T.

ESQUIRE DEPOSITION SERVICES

1 Arthur B. Davis 74  
Holt, Jr is?

2 A. I do.

3 Q. Who is that?

4 A. Tom Holt, Jr.

5 Q. What was Tom Holt, Jr's

6 connection with you with Emerald?

7 A. I am not sure.

8 Q. What is Holt Marine?

9 A. That's his e-mail address.

10 Q. Is that a company?

11 A. Holt Marine at one time was

12 a company.

13 Q. What was the business of

14 Holt Marine?

15 A. Holt Marine Terminal,

16 Incorporated was a stevedoring company.

17 Q. Where was Holt Marine

18 Terminal, Incorporated located?

19 A. Gloucester City, New

20 Jersey.

21 Q. Does Holt Marine terminal,

22 Incorporated still exist?

23 A. Not to my knowledge.

24 Q. There's a -- if you look in

ESQUIRE DEPOSITION SERVICES

Arthur B. Davis 75

1 the middle of the page it says this rent  
2 is in addition to such amounts as Sea  
3 Star has agreed to pay NPR, Incorporated  
4 and Holt Cargo Systems for the use of  
5 equipment not purchased by Sea Star to  
6 complete shipments in process as of three  
7 o'clock a.m. on April 27th of 2002. Do  
8 you see that?

9 A. Yes.

10 Q. Have you ever heard had the  
11 term shipments in process in connection  
12 with the Emerald equipment?

13 A. I have.

14 Q. When did you first hear  
15 that term?

16 A. When I read some of the  
17 court documents from federal court.

18 Q. From the Bankruptcy Court?

19 A. From the Bankruptcy Court.

20 Q. And what was your  
21 understanding then of shipments in  
22 process?

23 A. My understanding is that it  
24 had to do with the equipment that was on

ESQUIRE DEPOSITION SERVICES